



Director of
Central
Intelligence

El Salvador: Government and Insurgent Prospects

Special National Intelligence Estimate

*This Estimate presents the views
of the Director of Central Intelligence
with the advice and assistance of the
US Intelligence Community.*

Approved for Release

NOV 1993

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El Salvador: Government and Insurgent Prospects

*The following intelligence organizations participated
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*This Estimate was approved for publication by the
National Foreign Intelligence Board*

[REDACTED]



Key Judgments

El Salvador faces an increasingly unsettled political environment in the coming year—marked by a presidential election in March and changing strategies by the guerrillas. Events could have dramatic effect over the next 12 months or so on El Salvador's political landscape and the position and influence of the United States, which has been key to the country's political stability during the 1980s.

The resurgent rightist Nationalist Republican Alliance (ARENA) appears likely (60 to 40) to capture the presidency from the incumbent Christian Democratic Party (PDC), which has been weakened by popular disillusionment with economic stagnation, corruption, incompetence, and deteriorating urban security. The Christian Democrats could still stage a comeback by combining a more aggressive campaign with smart tactical alliances, but the odds and momentum are against the party.

ARENA's candidate, businessman Alfredo Cristiani, is a capable moderate, but party President Roberto D'Aubuisson has taken an increasingly prominent campaign role, lending substance to suspicions that he and other extremists will be the real power if ARENA wins.

The guerrilla-allied Democratic Convergence continues to participate in the campaign, but apparently has been making little progress. There is a fair chance (1 in 3) that it will pull out if it appears headed for a dismal showing, is pressured by insurgent commanders, or if the government fails to deal seriously with the guerrillas' latest peace proposal. If it pulls out, the FMLN (Farabundo Marti National Liberation Front) could make a more concerted—and at least partially successful—effort to disrupt the election.

The election is likely to be reasonably fraud free, and, although the turnout will probably be lower than in 1984, it should nonetheless be sufficient to buttress legitimacy.

The war itself is a complex arena where shifting insurgent strategies have allowed the guerrillas to mask a weakening military capability overall with more visible and politically successful efforts in the cities. The guerrillas have lost 15 to 19 percent of their force over the last two years, their base areas are less secure, and their attacks on military targets have been less effective. To compensate, they have tripled incidents in the capital, attacked previously unaffected areas, and assassinated and forced large

[REDACTED]

numbers of officials to abandon their posts; they are increasingly likely to target US nationals and facilities. The insurgents have the capability to boost less resource-intensive terrorist activities to a higher level and are likely to do so; they alter the psychological and political rather than the purely military dimension of the war. [REDACTED]

External support supplies more than 70 percent of all guerrilla ammunition needs and is critical to sustaining FMLN operations at current levels. [REDACTED] suggests a recent increase in external supplies, probably through Nicaragua. [REDACTED]

Salvadoran military performance has improved markedly since 1984, although the armed forces' efforts are still too piecemeal and not yet tied effectively to civic action. Assuming current trends, we believe that the government is likely to grind down the insurgency as a military force over the next three to five years, perhaps reducing its personnel size by one-third. [REDACTED]

Nevertheless, the guerrillas—while unable to seize power—will still be able to conduct a prolonged war, depending ever more heavily on terrorism, sabotage, and small-scale attacks. The terror campaign has the potential to destroy the always weak civil administration in large parts of the country, while further undermining civil defense and civic action programs. The government's inability to counter these tactics is a major weakness of its counterinsurgency program. [REDACTED]

We believe political trends in El Salvador—the weakening center and rightward drift of the electorate—could further polarize politics, enhance oligarchic influence, and encourage increased insurgent support. There is a better-than-even chance that an ARENA victory would signal some rollback of reforms, a tougher political and military posture against the left, and less inclination than the PDC to investigate human rights violations—attitudes that probably would encourage vigilantism. [REDACTED]

For their part, the guerrillas are likely to continue to pursue a more violent and headline-grabbing military strategy to make cooperation with the government too dangerous, convey the image that momentum favors their side, and provoke the military into further human rights abuses. If the hard right clearly dominates the new administration, the left would probably pursue an even more violent strategy—more assassinations of high-level officials and the acquisition of more advanced weapons. (S NF)

In the last year, there has been some increase in armed forces' and probably rightwing killings, pointing to the potential for escalation under an ARENA administration. In such an atmosphere, the government could

[REDACTED]

lose legitimacy at home and abroad, resulting in pressures for a curtailing of US assistance and growing sympathy—and tangible assistance—for the insurgents. [REDACTED]

Because Salvadoran Government performance is so heavily dependent on US aid levels, decisions in Washington will continue to be crucial for the country. The Salvadoran economy will maintain positive growth only by virtue of US economic assistance and emigrant remittances. A 25-percent cut in US economic aid, for example, would translate into a GDP loss of perhaps 3 to 5 percent. Some observers believe that a deep decline in annual US military aid levels would push the army toward a bloody now-or-never offensive against the insurgents or alternatively promote a highly conservative defensive posture—either of which would have negative consequences for the government. [REDACTED]

Regional peace initiatives are likely to present growing problems to a new government, especially if ARENA is in power. Only a border verification mechanism capable of interfering with Sandinista assistance to the guerrillas—a highly unlikely eventuality—would be perceived as beneficial. Otherwise, regional initiatives threaten to force negotiations with the FMLN, which the armed forces are likely to resist. [REDACTED]

The guerrillas clearly want to shift the political battle to Washington and reinvigorate US political opposition to continuing military and economic support for the Salvadoran Government, and their recent peace proposals are part of that effort. Although there are probably some linked with the guerrilla left who wish seriously to pursue these negotiations, the insurgent leadership intends the peace proposals principally to stave off military pressure and it expects rejection of the proposals to legitimate intensification of the war. [REDACTED]

- Should the insurgents offer a proposal that has genuine promise for a political settlement, US involvement and pressures will be crucial to overcome institutional resistance to compromise and keep the renegade right wing from destroying the political environment. For such involvement to be effective, however, Salvadoran authorities will have to remain convinced—via US aid levels—that US commitment to preventing a guerrilla takeover remains firm. [REDACTED]

A negotiated agreement to postpone the election for six months in response to recent guerrilla proposals would not affect our judgment of the likely election outcome. In addition, we doubt that it would lead to a lasting settlement because, at a minimum, hardline insurgent elements would renew the guerrilla struggle. [REDACTED]



Contents

	<i>Page</i>
Key Judgments	iii
Discussion	1
The Economic Equation	1
Impact of the War	1
Future Aid Levels	2
The Current Political Dynamic	3
PDC Prospects	4
The Challenge From ARENA	4
The Left and the Election	6
Role of the Smaller Parties	8
The Military and the Election	8
The Balloting	8
The Insurgents—Shifting Political-Military Strategy	9
Implementing the Counteroffensive Plan	10
FMLN Problems	10
Likely Insurgent Adjustments in 1989	11
External Support	12
Government Counterinsurgency Performance	16
Armed Forces Performance Over the Longer Term	20
Impact of the Election on the War	21
An ARENA Victory: Two Scenarios	22
The Left's Postelection Strategy	23
External Factors	24
Nicaragua	24
The Peace Process	24
Implications for US Interests	26

Discussion ¹

The halting performance of the economy and a guerrilla war that threatens to drag into a second decade have escalated political tension and fed popular disenchantment in the runup to the March 1989 election. At stake in the election are political, economic, and strategic issues—potentially including the bilateral relationship with the United States that has been key to stability in El Salvador during the 1980s. The country's primary political actors—the incumbent centrist Christian Democratic Party (PDC), the rightist Nationalist Republican Alliance (ARENA), and the guerrilla and political left—dispute even the basic realities of the situation. Each of them seeks to persuade not only the domestic population but also important foreign actors to embrace its perspective and support its solutions for the economy and the war. Dramatically different scenarios are possible for the country—and US interests—depending upon who triumphs.

The Economic Equation

El Salvador, in coping with its myriad economic problems, faces the irony of relative success—due, in large part, to US aid and emigrant remittances—that nonetheless falls substantially short of popular aspirations. In 1988, El Salvador's economy registered a sixth consecutive year of GDP growth—1.5 percent—despite war costs and losses of about \$130 million. Still, economic advances have not kept pace with the rapid population growth (currently at 2.6 percent), and per capita income has declined to 75 percent of

1980 levels. Again this year, we expect real GDP growth at the outside will not exceed 3 percent, and will probably be lower—ruling out any improvement in living standards. (See figures 1 and 2.)

Tight credit and foreign exchange limited investment and production in both 1987 and 1988. The financial constraints damping agricultural and industrial production were compounded by disturbances in power and water supplies, transportation shutdowns, infrastructure damage, bad weather, bureaucratic delays in construction contracts, and high investment risk due to the war and elections. Last year, implementation of structural economic adjustments—including utility rate hikes, a federal hiring freeze, and curtailment of capital expenditures—mitigated a 30-percent fall in coffee tax revenue. Nonetheless, both underemployment and unemployment remain very high, totaling as much as 50 percent of the work force, and nutrient intake for most of the population is below international standards.

Even modest growth rates remain highly dependent on revenue from external transfers. Salvadoran remittances from the United States totaled \$300-400 million last year, contributing significantly to consumer purchasing activity. Total US aid—\$395 million for FY 1989—is equivalent to about 50 percent of El Salvador's budget. (See table 1.) Disbursement of FY 1989 funding has been delayed due to programmatic difficulties, however, and, if the holdup is extended for several months, it could eliminate positive economic growth this year.

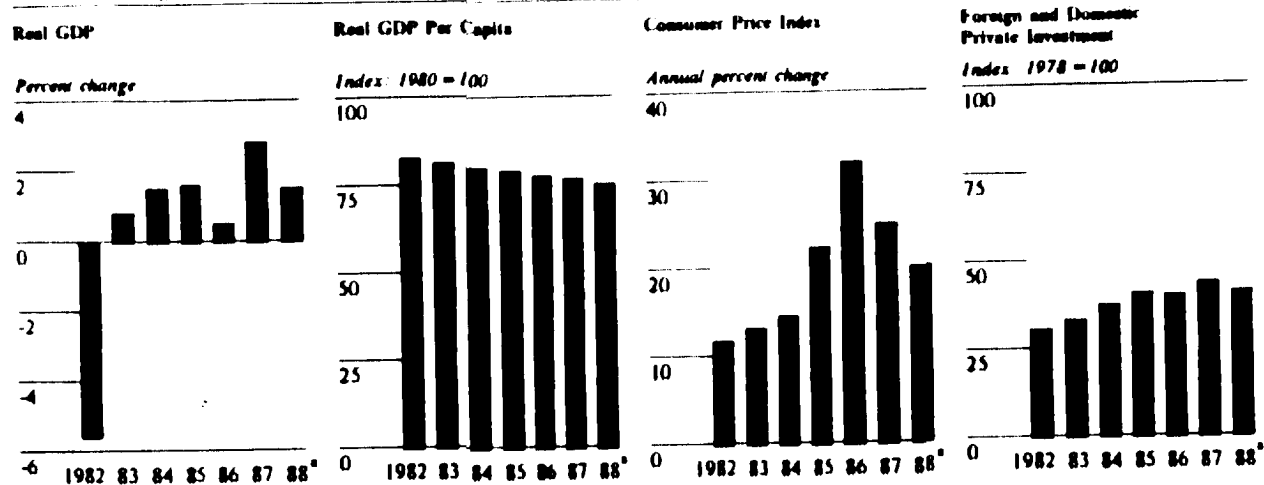
Impact of the War

Without significant change in the domestic situation that would allow a reallocation of resources away from the military and war-related destruction and at

¹ This Estimate projects economic, political, and military trends in El Salvador largely over the next year, although analysis outlines developments in some instances that look beyond 12 months. In addition, it places judgments within the framework of the 19 March presidential election, assessing the implications of a win by either the Christian Democrats or the Nationalist Republican Alliance for the prosecution of the war and economic management, and for US interests in the region.

Figure 1
El Salvador: Selected Economic Indicators, 1982-88

Note: scale change



* Estimated

the same time improve the investment climate, the government probably will continue its high levels of external dependency through the early 1990s. Indeed, much of the foreign aid is consumed as an offset to the direct and indirect economic damage done by the war. Since 1979, total economic losses are estimated at nearly \$2 billion. We estimate that in 1989 the cost of such repairs will be in the neighborhood of \$150 million (see figure 3), owing to the insurgents' more intensive economic targeting. In addition, the war has prevented a needed influx of foreign investment and led to a deterioration of industrial and agricultural productive capacity that has serious long-term implications.

Future Aid Levels

If US economic aid levels were cut significantly, this would force the government's budget deficit higher and compel a further restriction of credit and imports.

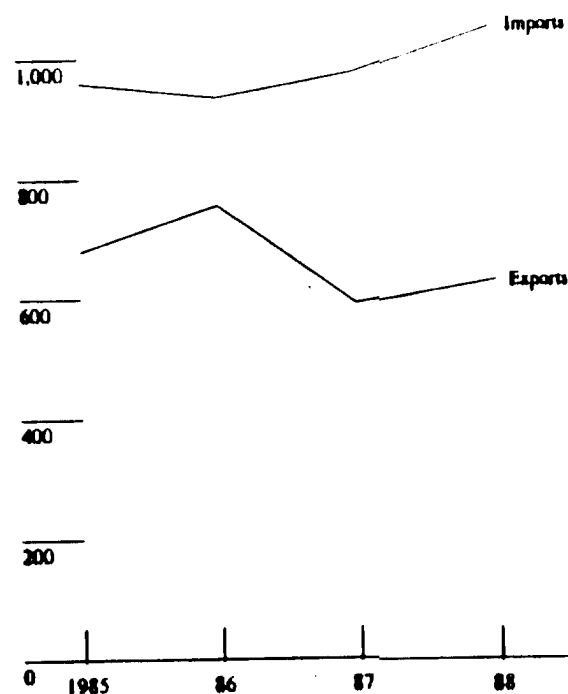
In addition, since most of the budget goes for salaries, the administration would also be confronted with the need to make politically unpalatable reductions in the public-sector work force. In rough terms, if the US economic allotment were slashed by about 25 percent, then a +2 percent growth rate would probably be driven to a GDP loss—perhaps in the neighborhood of 3 to 5 percent—in the year following the aid cut. In addition to attendant political and social difficulties, there would be an immediate psychological impact. Left, right, and center would see it as a step toward US disengagement, and the guerrillas would redouble their efforts to sever the remaining bonds between Washington and San Salvador.

Figure 2
El Salvador: External Trade, 1985-88

Current million US \$

Trade Balance

1,200



Exports

☐ Coffee
☐ Sugar

■ Cotton
■ Other

1985

600

400

200

0

1987

600

400

200

0

1986

600

400

200

0

1988

600

400

200

0

The Current Political Dynamic

The flagging economy, along with war weariness and government corruption, has helped shift political trends in El Salvador—a strengthening right; a weakening, more fractious center; and a newly formed, proguerrilla, but legal, left. The national leadership of the ruling PDC has been tarnished by scandal, internal divisions, and, most important, by the lack of clear success with the insurgency or the economy. The

rightwing ARENA party, cultivating a more moderate image, is the key beneficiary of rising dissatisfaction with the Christian Democrats. On the left, the growing realization that military pressure has little near-term chance of overturning the existing political structure probably contributed to the decision of guerrilla allies like Guillermo Ungo and Ruben Zamora to return from foreign exile and reenter Salvadoran politics. (S NF)

Table 1
US Economic and Military Aid
to El Salvador, 1980-88

Million US \$

	Direct Economic Assistance *	Security Assistance	Total
1980	58.5	6.2	64.7
1981	116.3	10.5	126.8
1982	185.6	31.5	217.1
1983	261.9	81.3	343.2
1984	223.1	206.6	429.7
1985	428.8	136.3	565.1
1986	317.1	121.9	439.0
1987 *	506.5	111.6	618.1
1988	332.4	81.6	414.0

* Includes Economic Support Funds, Development Assistance, and PL-480.

* Includes \$52.9 million in earthquake assistance and \$147.3 million in supplemental appropriations.

This table is Unclassified.

PDC Prospects

The divided Christian Democrats face an uphill struggle, and we doubt they can finish on top in the first round of the election unless they energize their campaign and overcome the political trends evident in the last legislative and municipal elections, where they were convincingly beaten. (See figure 4.) Because they occupy the political center and because the dying President Duarte is still a charismatic figure, the Christian Democrats could still make a comeback. Their best chance is to deny the rightwing ARENA a first-round majority and then attract some of the smaller parties in a second round of balloting. With astute alliances and an aggressive campaign, the second round could be a dogfight too close to call.

To do so, however, the Christian Democrats will have to demonstrate that they are more responsive to the legislative and municipal protest votes stemming from mismanagement and corruption charges. They will also have to win back supporters from the majority bloc that show want a new party in government. Although we cannot fully assess the

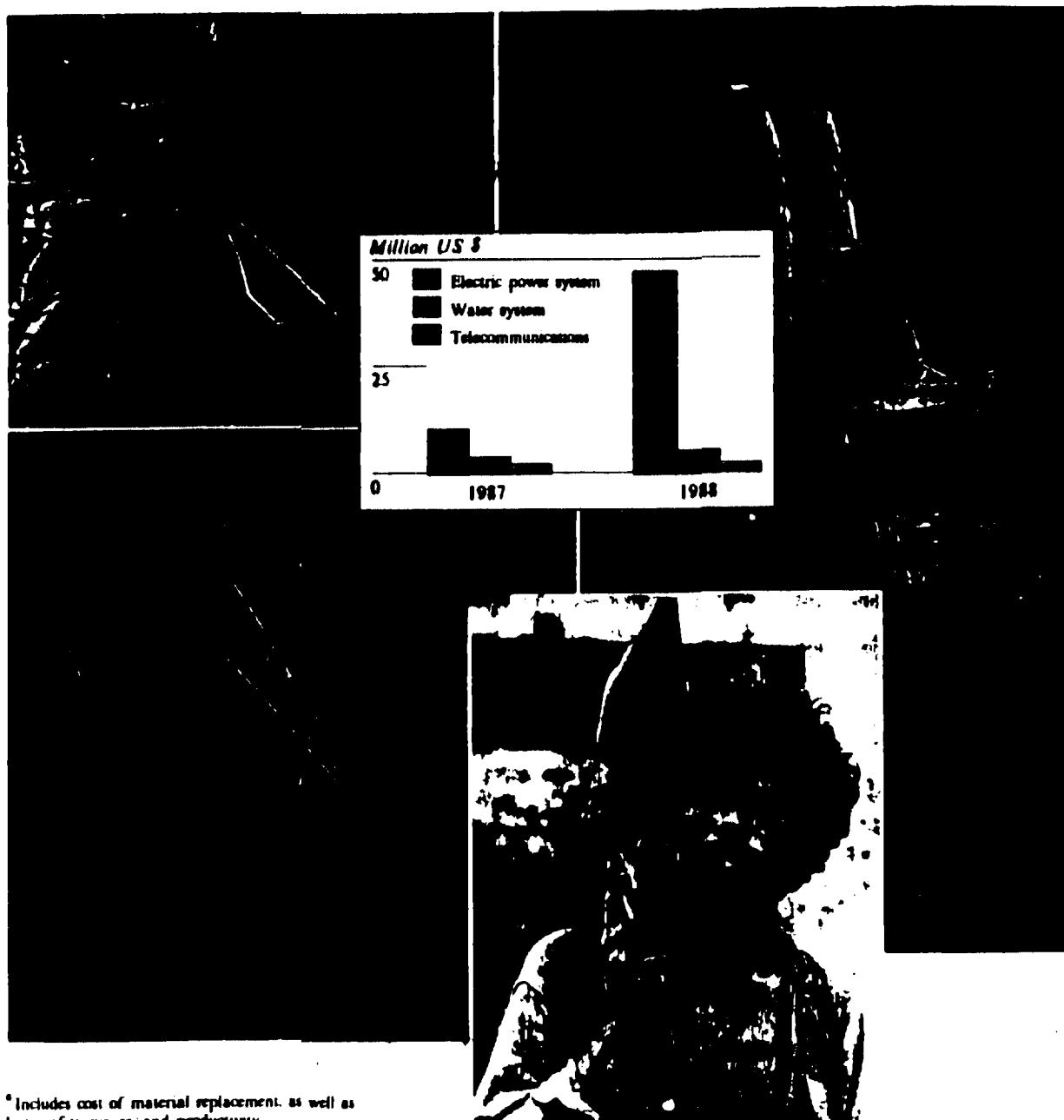
pervasiveness of official corruption, failure to do more over the last few years than reassign a few cabinet ministers for alleged misdeeds has seriously damaged the party's image and fueled the popular belief that PDC corruption is rampant.

The Challenge From ARENA

ARENA is now the country's largest and best organized party, and its new, more moderate image, embodied by candidate Alfredo Cristiani, is enhancing the party's election prospects. ARENA's founder Roberto D'Aubuisson and others linked to past death squad activities have allowed the moderate faction a widened public role while still exerting significant influence. Most party leaders, including Cristiani, admit that the party's appeal to conservative peasants—and the businessmen who are bankrolling the campaign—would wane significantly without the presence of the charismatic D'Aubuisson.

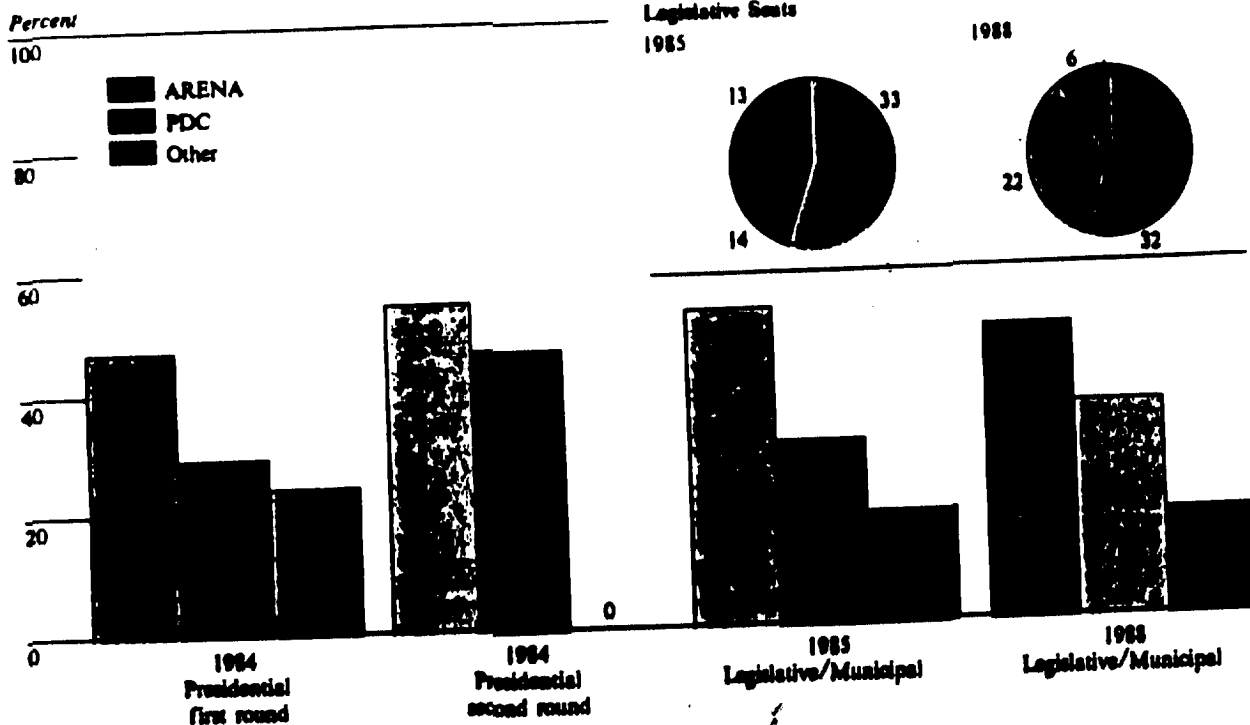
In addition to hammering the Christian Democrats on the corruption issue, we believe a major plus for ARENA will be its successful attack on the government's inability to provide public security in the face of increased leftist violence and its failure to deliver promised development programs. In contrast to the perceived inability of the Christian Democrats to remedy the security situation, we judge that the public perceives an ARENA government as more willing to take a tougher posture toward violent demonstrators and those suspected of terrorism and sabotage. ARENA also has spent the last several years organizing on the local level and using party resources to provide a range of services to lower income voters in the countryside.

Figure 3
Direct and Indirect Guerrilla Damage to Infrastructure, 1987 and 1988



* Includes cost of material replacement, as well as lost profits, wages, and productivity

Figure 4
PDC Versus ARENA
Performance at the Polls



The Left and the Election

The emergence of a legal leftist party, Democratic Convergence, lends greater legitimacy to the current political system, although its activities also assist the insurgent cause by facilitating leftist opposition groups and serving as a vehicle for insurgent propaganda. Two of the three parties in the Democratic Convergence coalition are allied with the insurgent movement, and presidential candidate Ungo already has asserted that his campaign is not a serious quest for the office, but a vehicle for mobilizing popular pressure for negotiations—a key insurgent objective.

Whether the Convergence stays in the presidential race depends upon how it—and the guerrillas—read the campaign. Intimidation from rightwing extremists or the prospect of being embarrassed by its own lackluster performance at the polls could prompt a pullout. In addition, the Convergence would likely have to withdraw if pressured by guerrilla commanders. On balance, there is perhaps a 1-in-3 chance it will pull out of the presidential race before election day, and, to the extent that neither the Christian Democrats nor ARENA treats recent Convergence-backed guerrilla negotiating proposals seriously, the odds probably rise.

The Presidential Contenders and Their Platforms

Fidel Angel CHAVEZ Mena
PDC Nominee

Key platform elements:

- *No preconditioned negotiations with FMLN.*
- *Continuation of regional peace process.*
- *Agrarian reform: no further land expropriations and greater self-management of cooperatives.*
- *Fiscal and trade policy: reduce deficit, crackdown on tax evasion and no new taxes, selective import substitution and aggressive export policy.*
- *Supports close ties to the United States. (C NF)*

Alfredo CRISTIANI Buckhard
ARENA Nominee

Key platform elements:

- *Open to negotiations with FMLN.*
- *Continuation of regional peace process, but make certain El Salvador is not seen as US lackey.*
- *Agrarian reform: no further land expropriations, provision for private ownership of cooperative farm plots.*
- *Fiscal and trade policy: reduce the deficit, simplify tax code, reduction of nominal rates, expansion of tax base, export-led development.*
- *Considers US involvement in domestic policy excessive. (C NF)*

(continued)

The Presidential Contenders and Their Platforms (continued)

Guillermo Manuel UNGO Revelo
Democratic Convergence Nominee

Key platform elements:

- *Peace process: seeks negotiated political solution to the war based on guerrilla peace proposal, with cease-fire and agreement to deescalate war as first steps. Meanwhile, both parties to the war are morally and legally bound by the Geneva Accords.*
- *Fiscal policy: "An economic plan to help the people."*
- *Sharply critical of US involvement in El Salvador*

Role of the Smaller Parties

Other than the main contenders and the leftist Democratic Convergence, only the PDC splinter group, the Authentic Christian Movement, could play a potentially significant role in the election. While a reunification of the PDC could enhance Chavez Mena's chances in a runoff, we believe the bitter party split last fall will make a conciliation difficult. Neither the Authentic Christian Movement—nor the leftist Convergence—is likely to win more than 10 percent of the vote, but each is vying for third place, which will entitle the winner to a coveted seat on the powerful Central Election Council. The remaining smaller parties realize that they are not likely to attract significant support, and most appear inclined to back the front-runner, ARENA, in a projected second round.

The Military and the Election

We believe the armed forces will remain impartial, despite reported attempts by some civilians to solicit military support for their party. Only in the unlikely

event of uncontrollable domestic violence by the left or the right would the military be a last resort, stepping in to restore order. In our view, however, the military is well aware that their involvement would discredit the election and jeopardize prospects for international aid.

The Balloting

The election itself could be turbulent, especially if the left pulls out and the guerrillas ratchet up their disruptive activities—which is within their capabilities. Given restrictive voting regulations and some disillusion with the national contest, the turnout may be somewhat lower than in past years, but high enough to buttress legitimacy. The presence of international observers will also lend credibility to the process.

The Insurgents: Shifting Political-Military Strategy

More than ever, the guerrillas' strategy is also focused on the political and diplomatic arena. This is partly because of necessity forced upon them by improving Salvadoran military performance and partly because of the realization that their own declining but still ~~significant~~ military capabilities are better complemented with a talk/fight strategy that boosts their legitimacy. At the same time, their more sophisticated target selection is designed not only for maximum ~~political and economic impact~~ but also to exaggerate their military prowess. Especially effective psychologically has been the boost of attacks in urban areas and traditionally safe locales in the countryside.

The Farabundo Marti National Liberation Front (FMLN) guerrilla coalition has undergone major strategic shifts. (See inset, page 10.) Following its unsuccessful "final offensive" early in 1981, the insurgents attempted to match ~~government~~ armed forces' growth and tactics in an attempt to defeat them in *conventional warfare*. FMLN strength peaked at 9,000 to 11,000 combatants in 1984, as the guerrillas were unable to keep pace with the government's growing superiority in firepower, mobility, and strength. By the end of 1985, the insurgents had reorganized and shifted to a strategy of *prolonged warfare* that concentrated on attrition of the military and the economic infrastructure. During this period, insurgent strength fell to 7,000 to 8,000 combatants, and the FMLN force structure stressed a greater reliance on smaller, more mobile units.

More troubling and problematic will be whether the loser accepts the results. Both the PDC and ARENA have claimed publicly that the other is preparing to steal the election, and, while some of the rhetoric is only propagandizing, there are elements in the parties willing to cry foul, no matter what the process or outcome. Although it is not the most likely scenario, if one of the major candidates were to denounce the returns, the left would reap a propaganda windfall that could contribute to wider polarization and violence.

In late 1986, while continuing to fight a prolonged war, the insurgents again shifted emphasis, this time preparing for a *strategic counteroffensive*. Although this strategic counteroffensive planning contained unrealistic elements, at its heart was a military offensive in which local insurgents and a greatly expanded contingent of militia forces would conduct widespread ambush and sabotage activity to tie down government forces. FMLN strategic and special forces would meanwhile attack major armed forces facilities.

Farabundo Marti National Liberation Front (FMLN)

The FMLN is generally Marxist-Leninist, pro-Cuban, and decidedly anti-US. All five guerrilla groups comprising the FMLN trace their origin, directly or indirectly, to the Salvadoran Communist Party. Many in the leadership of these groups drew their political training from Salvadoran student politics of the early 1970s: Marxist, violence prone, and antagonistic toward the United States.

Despite the dominance of Marxism-Leninism within the FMLN, there are periodic differences of opinion over strategic priorities and revolutionary tactics. The People's Revolutionary Army, for example, has long stressed the primacy of military action in bringing about revolution, while the Armed Forces of National Resistance has placed more emphasis on political organization. These differences do not, however, represent fundamental divisions regarding the FMLN's Marxist-Leninist ideological underpinnings. In this regard, the FMLN shares many similarities with the Sandinista National Liberation Front (FSLN) in Nicaragua. Were the FMLN to ever come to power, we believe that—as with the FSLN—it would coalesce around a Leninist domestic policy of one-party control and ultimate socialization of the economy and a foreign policy centered on close relations with Cuba and hostility toward the United States.

Implementing the Counteroffensive Plan

Tactically, FMLN operations are influenced by both the strategic counteroffensive strategy and by government operations and capabilities. The insurgents continue to emphasize low-risk actions to wear down both the economy and the armed forces, and mass only for significant operations such as attacks against garrisons. (See figure 5.) In 1988, the insurgents staged 12 attacks against large- and medium-size targets—the same number as 1987. However, 1988 attacks were less effective in terms of casualties inflicted (28 percent less).

FMLN military activity did increase dramatically in major urban centers during 1987 and 1988 with more visible and violent actions, especially in San Salvador where actions tripled between 1986 and 1988. (See figure 6.) The use of vehicle-launched "rampas"—a locally manufactured mortar-like device—has permitted the FMLN to conduct headline-grabbing daylight attacks on major government facilities without a significant risk of insurgent assets.

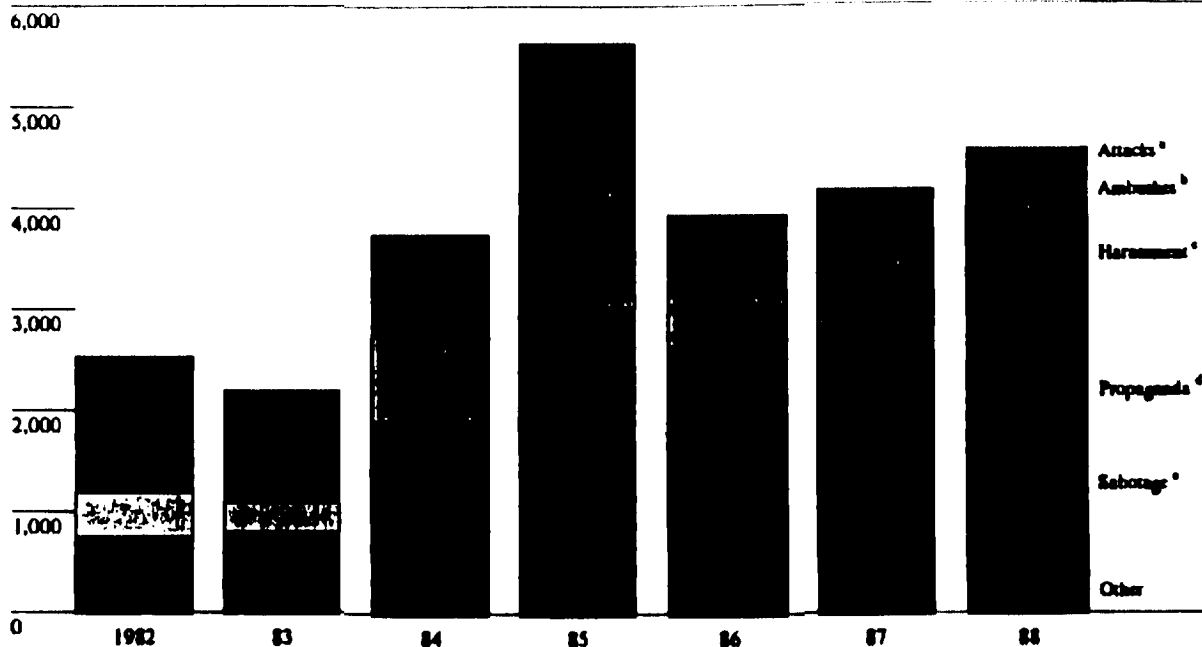
Local government presence is a major, continuing target for the insurgency with attacks against town-halls and civil defense units rising over the past two years. Following the assassinations of nine mayors in 1988, large numbers of local officials have received death threats and some 49 mayors have resigned in the last year, representing 18 percent of the municipal posts.

FMLN Problems

Despite its aggressive activity in several areas, however, the FMLN has been able only partially to mitigate the effect of increasingly longer government incursions into its base areas. (See figure 7.) Diversionary operations and greater exfiltration of key support and command elements out of home areas by the guerrillas have still left them vulnerable to armed forces' disruptions of their operational planning, logistic, recruitment, and training activities.

We assess current FMLN combatant strength to be 6,000 to 7,000 (see figure 8)—a 15- to 19-percent drop from 1986 strength figures. Because of the counteroffensive philosophy, there has also been a major reordering in the composition of troops, reflecting FMLN emphasis on local forces and militia at the expense of strategic forces. Although this reordering is a sophisticated adjustment to government combat effectiveness, the drop in overall combatant strength indicates that the FMLN has been unsuccessful in its goal to increase greatly the number of local and militia forces through new recruitment.

Figure 5
El Salvador: Insurgent-Initiated Incidents by Type, 1982-88



^a A forceful hostile action against a stationary government force (also called an assault).

^b A military action against a moving government force.

^c Military actions such as sniping, lobbing a small number of shells, or similar actions that seem intended to hamper government operations rather than to defeat them.

^d Dissemination of information by means such as leaflets and briefings. Dramatic actions without verbal content are not considered propaganda.

^e The destruction of facilities that support government military operations or the economy.

Note: Data reflect the continuing rise in insurgent-initiated actions over the last three years. This results from increasing emphasis on lower risk, smaller unit actions, such as harassment, sabotage, and propaganda; larger unit actions, such as attacks and ambushes, have declined.

20000 1-89

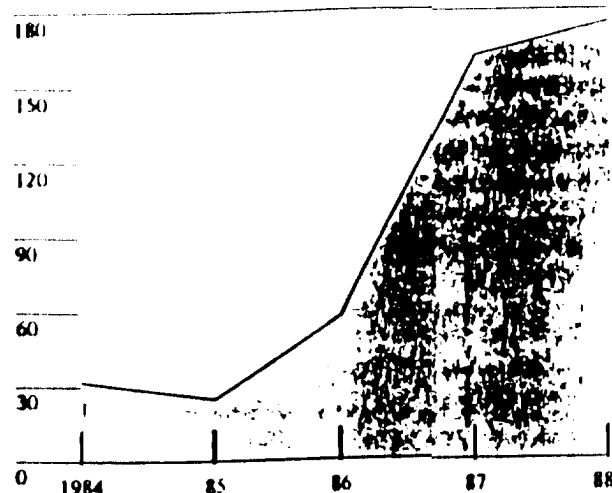
The FMLN's military emphasis on the urban theater is designed to be complemented by an increasingly militarized and active front group apparatus, but here the guerrillas have made little headway. While front group demonstrations have become more violent, they remain small—an indication that popular support is not expanding in the cities. More important, they have not drawn a repressive response from government security forces. Furthermore, in spite of continuing FMLN penetration of labor unions, the FMLN is not significantly closer to being able to call an effective general strike.

Likely Insurgent Adjustments in 1989

We judge that the FMLN cannot launch a political-military offensive along the lines of its proposed strategic counteroffensive in 1989:

- Although the FMLN has developed new militia units, these forces are concentrated in or near FMLN base areas, do not operate independently, and would be of only marginal value in a strategic counteroffensive.

Figure 6
Insurgent-Initiated Military Incidents * in
San Salvador Area, 1984-88



* Includes attacks, harassment, ambushes, assassinations, sabotage, and bombings.

- The FMLN has not greatly increased the pace of its purely military operations nor has it been able to bring about a lasting strategic dispersion of government forces.
- FMLN front groups and penetrations of the armed forces are not able to foment a popular or military insurrection.

Although the FMLN is unlikely to abandon its strategic counteroffensive strategy largely because of concerns about internal morale, we believe the insurgent leadership realizes that a near-term political-military victory is not possible. Without abandoning preparations for an eventual strategic counteroffensive, the FMLN now apparently believes its best opportunity is to exploit the existing domestic and international political climate to force a decrease in US aid to the Salvadoran Government and pressure the government to negotiate.

We believe FMLN political-military operations over the next year will focus on boosting the perception of the viability of the insurgency. Militarily, this means a heavy volume of high-visibility, low-risk operations. The insurgents already are conducting coordinated harassment sprees of up to eight actions in a single department in a single night. Electrical sabotage also is being conducted in concentrated spurts to enhance impact. The insurgents are capable of combining a harassment and sabotage spree with a significant attack to create the impression of military initiative. In terms of logistics and manpower, the insurgency probably can sustain a heavy volume of low-risk operations with only brief lulls (15 to 30 days). (See figure 9.) We judge that these operations, in spite of heavy publicity, will not significantly alter the present military balance. They will, however, result in a somewhat greater threat to US facilities and personnel—particularly since the FMLN is becoming increasingly less hesitant to employ terrorist tactics and to attack US targets.

In addition, we believe the FMLN may publicly announce a shift from the preparatory phase to the preliminary phase of the strategic counteroffensive. This rhetorical leap will mean nothing in terms of insurgent military capabilities, but may receive international attention and bolster insurgent morale.

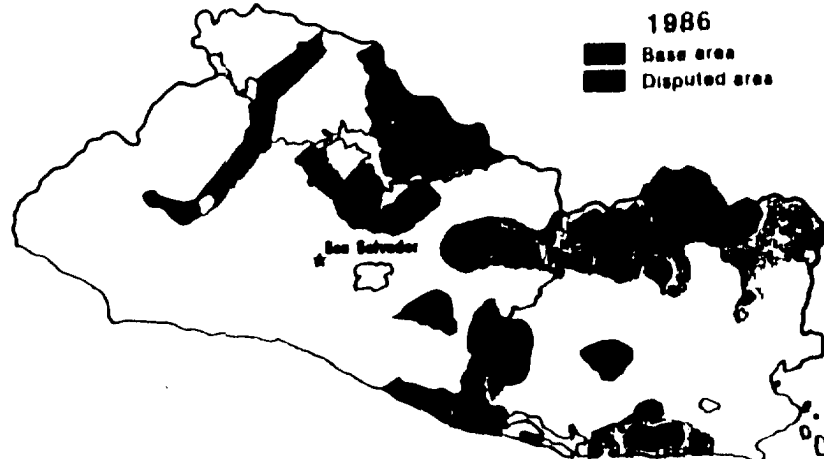
External Support

Still key to insurgent strategy and current force structure is the continuing flow of external support. Such support—especially ammunition—remains the critical factor in allowing the FMLN to conduct military operations at current levels.

Figure 7
El Salvador: Guerrilla Operating Areas

Boundary representation is
not necessarily authoritative

50 Kilometers
50 Miles

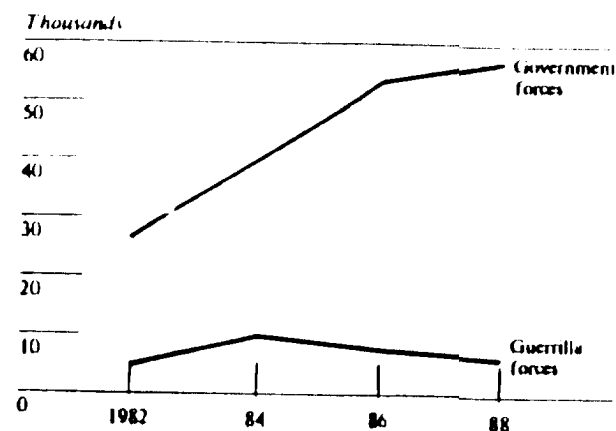


Base areas: Areas where strategic mobile forces, local guerrilla units, major command elements, and service and support organizations are consistently located. In addition, these areas normally contain a sophisticated, well-established guerrilla infrastructure.

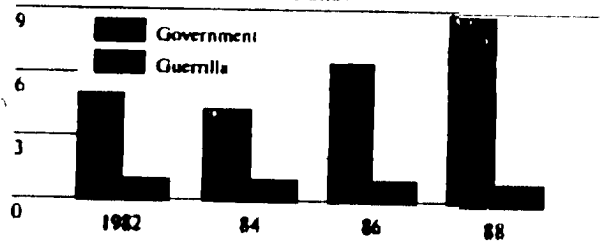
Disputed areas: Areas in which the guerrillas are contesting the military for control. Such an area may evidence some of the characteristics of a base area to include having command elements and local guerrilla units based in the area, with an occasional strategic mobile force unit being camped in it.

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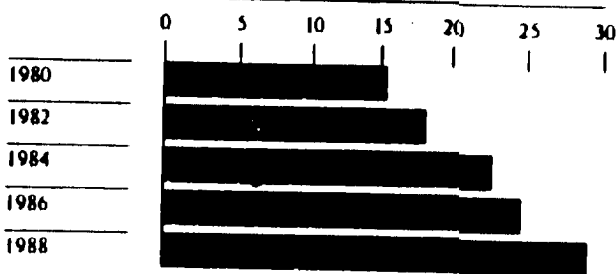
Figure 8
El Salvador: Relative Military and Insurgent
Force Levels



Government: Guerrilla Force Ratio



Salvadoran Government Military Expenditures as a Percentage of the Central Government Budget



The insurgents have attempted to alleviate their continuing dependence on external materiel support by locally manufacturing "popular" weapons. These efforts have produced an impressive number of home-made weapons that the insurgents are using with increasing success, but the programs produce little small-arms ammunition—the most critical insurgent requirement.

the FMLN must infiltrate at least 70 percent of its basic ammunition needs—and 100 percent for such items as AK-47 rifles and RPG-2/7 rocket launchers. In addition, the insurgents must infiltrate large numbers of fuses and blasting caps to make homemade mines.

In 1987, the rebels captured only 82,000 rounds of rifle ammunition from the government—compared to the 300,000 rounds stored in a single guerrilla warehouse. The insurgents have set up small ammunition manufacturing facilities, but these have done little to close the big gap between expended ammunition and domestic sources of supply and acquisition. Last year, army patrols uncovered more large caches of ammunition than previously, also pointing toward major external flows.

Weapons of various types also continue to be infiltrated into El Salvador. While weapons infiltration is at a lower level than in 1983 and 1984, the insurgents need to replace older Vietnam-era M-16s, arm their new forces, and replace weapons lost to the government. Currently, the insurgents are losing two weapons to the government for every one they capture. (See table 2.) Captured guerrillas also are reporting that some units are now being equipped with AK-47 rifles vice the M-16/AR-15. We believe that Nicaragua—often acting in concert with Cuba—continues to be the logical conduit for much of the insurgents' logistic needs.

Figure 9

FMLN Force Structure, Strength by Faction, and Type of Force

Special Forces
Best trained insurgent force, serves as the primary penetration force for significant FMLN attacks

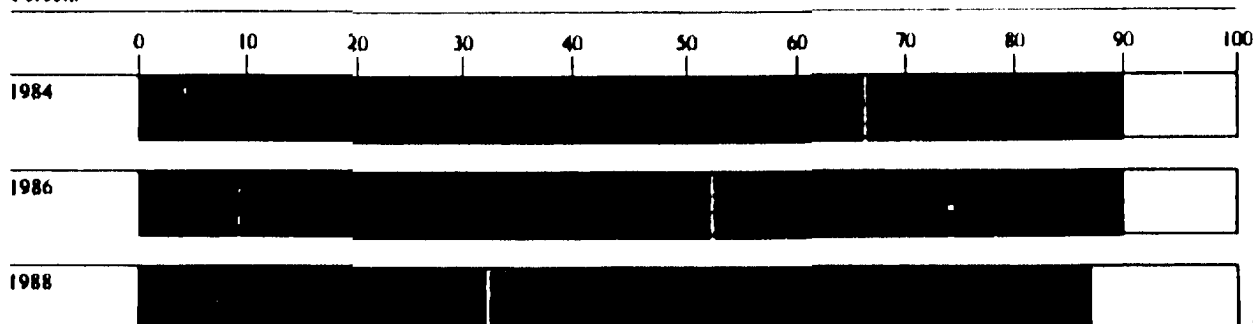
Strategic Forces
Serves as the major FMLN maneuver force, primarily assigned to a specific zone, but can operate throughout the country

Local Forces
Consists mainly of guerrilla units which operate within specific areas conducting both political expansion and low-level military operations

Armed Militia
Low-level forces which operate in and near their home villages, responsible for conducting low-level sabotage and limited operations with local forces

Force Structure - 1984, 1986, and 1988

Percent



Strength by Faction and Type of Force, 1988

Number

Faction	Type of Force				Total
	Special Forces	Strategic Forces	Local Forces	Armed Militia	
ERP	160	900-1,000	1,240-1,390	200-250	2,500-2,800
FPL	164-218	401-504	1,096-1,304	436-537	2,097-2,563
FARN	72-95	200-220	353-400	55-60	680-775
FAL	26-30	0	384-440	Unknown	410-490
PRTC	15-20	26	239-291	45-53	325-390
Total	437-523 (7%)	1,527-1,750 (25%)	3,312-3,845 (55%)	736-900 (13%)	6,012-7,018

People's Revolutionary Army (ERP)

Popular Liberation Forces (FPL)

Armed Forces of National Resistance (FARN)

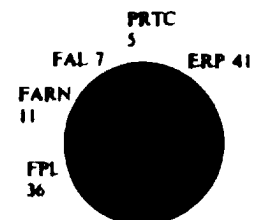
Armed Forces of Liberation (FAL)

Revolutionary Party of Central American Workers (PRTC)

Farabundo Martí National Liberation Front (FMLN)

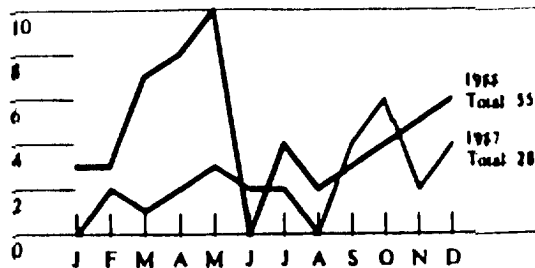
Strength by Faction, 1988

Percent



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Figure 10
Seaborne Logistic Deliveries to
Salvadoran Insurgents, 1987-88^a



^a Like 1987, 1985 and 1986 deliveries averaged a total of 28 per year.

Table 2
FMLN Weapons Losses

	Lost to Military ^a	Captured From Military ^b	Net Loss
1985	1,235	254	981
1986	719	336	383
1987	948	426	522
1988	983	409	574

Note: This table shows that, in the last two years alone, the FMLN has lost nearly 1,100 weapons more than it has captured from the military. These figures do not take into account the additional depletion of the guerrilla inventory due to normal wear and tear of its aging stock of M-16s.

Monetary donations from Western organizations, including some in the United States, continue to meet a significant portion of insurgent financial needs.

the dimensions of financial aid is scattered, but sufficient to underline its continued importance to the war effort.

revealed that one of the largest guerrilla factions—but still only one of five—acquired \$2.5 million courier admitted to carrying from \$40,000 to \$70,000 per month, which would equate to \$480,000 to \$840,000 per year transported by a single individual from one faction.

Various ruses are used to attract and divert funds a guerrilla-dominated labor coalition sought in funding for a new building, and, while a organization estimated this was three times the necessary amount, other organizations serviced the request. the guerrilla-dominated human rights group COMADRES donated to one of

the insurgent factions, although the money had originally been provided by a organization to aid displaced children.

Government Counterinsurgency Performance

Over the past few years, the government has implemented a two-track counterinsurgency strategy to defeat the still well-supplied and reasonably well-funded FMLN. It is based on large-scale sustained military operations and a nationwide civic action/civil defense program; the military track has been much more successful than the latter.

Salvadoran military performance has improved markedly since 1984, and the armed forces are now able to conduct more frequent and effective large-scale sweep

Figure 11
Seaborne Deliveries

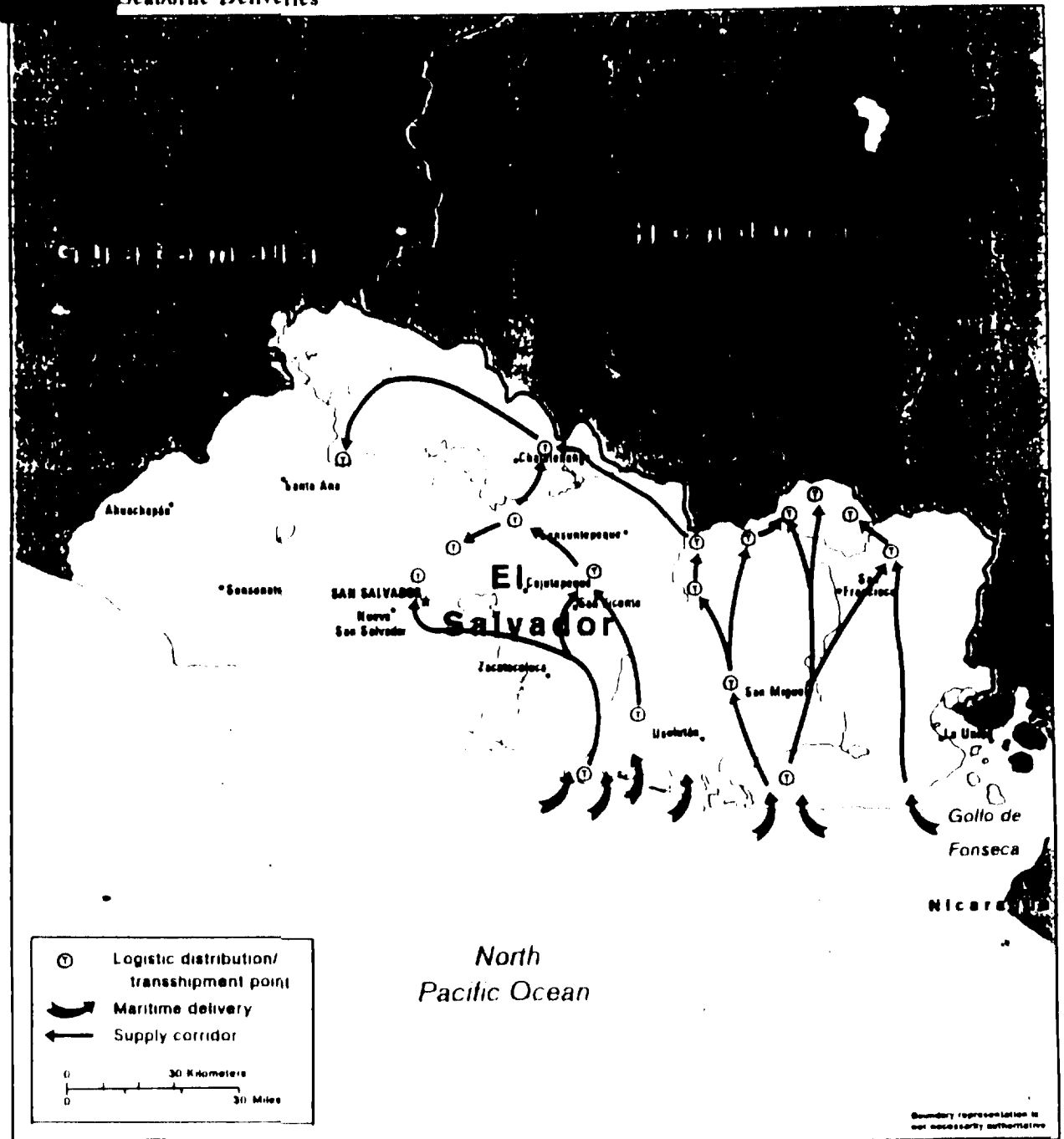
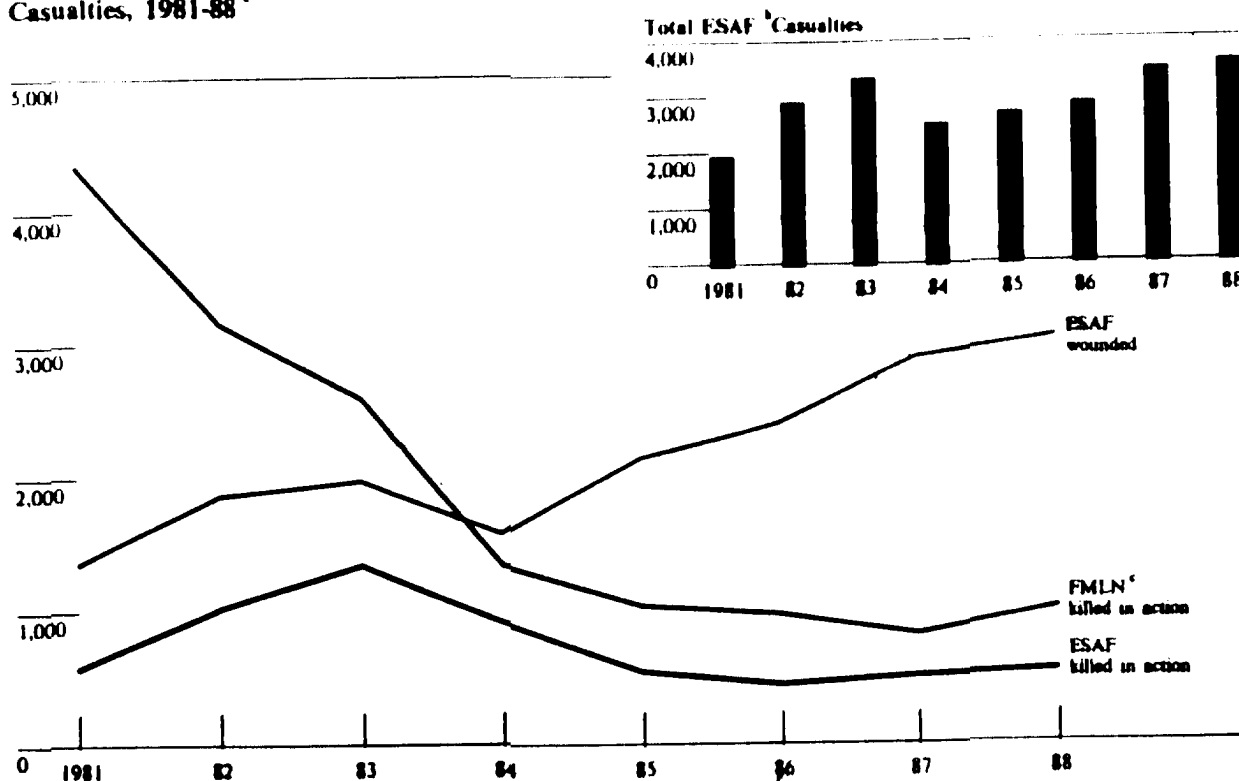


Figure 12
Salvadoran Military and Insurgent
Casualties, 1981-88



Note: FMLN killed in action figures rose 23.5 percent in 1988, following a three-year gradual decline. ESASF casualty figures (combined killed and wounded) have been rising for the last five years, and 1987 and 1988 totals were the highest of the war. In those years, however, killed in action were only 16 percent of total casualties, compared to 41 percent in 1983.

operations throughout the country. Further, the military has become somewhat more aggressive offensively, and its development and use of tactical intelligence also has improved measurably, contributing to a greater effectiveness in defensive operations as well. (See figure 12.)

Government casualties are relatively high in absolute terms, but the army will probably have little difficulty in replacing its losses in the next year or two. The morale of the armed forces is good and likely to

remain so. Officers are generally optimistic about the course of the war, although for most this is predicated on continued support from the United States.

We do not expect this situation to substantially change in 1989. The military can continue to maintain pressure on the insurgents, to temporarily disrupt

guerrilla base areas, to preempt insurgent preparations for major attacks, and to incrementally reduce guerrilla strength. (See figure 8.) Its manpower and firepower superiorities will lead to continued measured progress that is likely to reduce the military effectiveness of the insurgency without dramatically reducing its scope. [REDACTED]

Military operations tend not to be guided by overarching goals, however, but to be piecemeal. A good example are the multibattalion offensives that disrupt guerrilla base areas but only on a temporary basis since they do not result in a permanent expansion of government presence and control. Uneven leadership—because of an overreliance on seniority rather than merit for military promotion—leads to inconsistent application of the kind of aggressive small-unit tactics necessary to decisively engage and defeat the insurgents. [REDACTED]

Perhaps more important, the civic action/civil defense program has never had strong government or military support and continues to founder. The civic action program targets key rural areas with projects designed to extend government services and security, but, despite its ostensible importance, military and civilian support waned in 1988. Overall progress has been uneven over the years because of civilian bureaucratic ineptitude, inadequate funding, and the failure of a sometimes indifferent military to provide adequate security. [REDACTED]

Within the past year, there has been increased rhetoric and emphasis on a new "hearts and minds" strategy, but operations have had mixed and somewhat limited results. The government and military attempted to effect a coordinated campaign in Chalatenango Department to displace the guerrillas both militarily and politically; the operation has been plagued with delays and has been short on results. Colonel Ponce, the new Chief of Staff, also initiated a concerted campaign in eastern El Salvador by undertaking military/civil operations to establish a permanent military presence in certain FMLN zones. (See inset.) The campaign provoked an intensive and ongoing guerrilla campaign of threats and assassinations against civilians and elected officials, however, which the military was unprepared for and largely unable to counter. [REDACTED]

The FMLN's use of terror and assassinations against mayors and other government officials, while distasteful to many Salvadorans, has underscored the government's inability to protect those who support it. The terror campaign has the potential to destroy the always weak civil administration in large parts of the country, while further undermining civil defense and civic action programs. The government's inability to counter these tactics is a major weakness of its counterinsurgency program. [REDACTED]

With military assistance declining and the Salvadoran economy stagnating, it is doubtful the government could expand current programs. Even when US assistance was higher, civic action programs foundered

Is Rightwing Violence Growing? *

The human rights situation appears to have worsened during the past year, although the overall level of politically inspired murders remains far below that of the early 1980s. While the Marxist insurgents continue to account for the majority of killings, we believe that rightwing extremists and some members of the armed forces increasingly are reacting to the government's seeming inability to control insurgent terrorism. (See figures 13 and 14.)

None of the confirmed cases of political killings has been attributed to the right, but extremists probably are responsible for some of what the [redacted] characterizes as "suspicious" killings, in which no clear motive can be established. Circumstances surrounding many of the crimes—torture, assassinations by groups, and bodies being dumped some distance from the scene of a crime—are trademarks of death squad killings in the

* Note on data: A number of organizations gather and publicize statistical information on political killings and other human rights abuses in El Salvador. Some of these groups employ questionable methodologies, and others have been revealed to be fronts for the insurgency. The data used here were obtained by [redacted]

While the figures probably are not precise, we believe they accurately reflect trends in political violence.

early 1980s. Three new groups have recently announced their existence—the Revolutionary Anti-Communist Extermination Action, the Central American Anti-Communist Hand, and the Eastern Anti-Communist Command—and are threatening to kill leftists in retaliation for guerrilla terrorism. Rightists no doubt have perpetrated some of the political killings, but we have no evidence they are acting with the explicit sanction of ARENA leaders. Even party hardliners like Roberto D'Aubuisson probably are reluctant to risk negative political fallout through the reckless use of illegal violence.

In contrast to [redacted] regarding rightwing killings, there has been a discernible increase in confirmed political killings by the armed forces. We attribute these mostly to low-ranking soldiers and policemen, rather than to a broad, high-level conspiracy. The officer corps generally is aware of the political sensitivities associated with the human rights issue and wants to avoid a cutoff of vital US military assistance. Many officers probably do cover up such crimes to avoid damage to the armed forces' prestige and legitimacy.

because of inadequate funds. In addition, although there are few officers who advocate death squad methods, there is still no indication that the officer corps is ready to investigate and punish human rights violations by officers above the rank of lieutenant. This tends to undermine efforts to win and retain support in contested areas. (See inset and figures 13 and 14.)

Armed Forces Performance Over the Longer Term

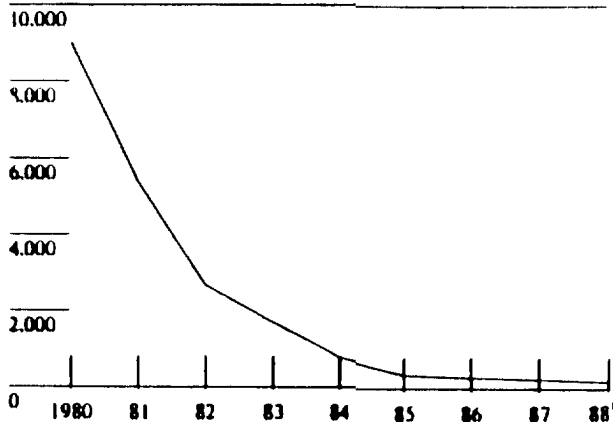
The efforts to remedy deficiencies and pursue reforms, while not likely to have a dramatic short-term impact, will have an important bearing on the broader

course of the war just as they have had a cumulative effect to date. Assuming current trends, we believe that the armed forces is likely to grind down the insurgency militarily over the next three to five years, perhaps reducing its personnel size by one-third. This would sharply reduce the FMLN's capability to conduct medium- to large-scale attacks on strategic targets. Nevertheless, the guerrillas will still be able to conduct a prolonged war, depending ever more heavily on terrorism, sabotage, and small-scale attacks. The guerrillas, while unable to seize power, will continue to threaten seriously the security and stability of the country. (See figure 15.)

Figure 13
El Salvador: Human Rights Situation

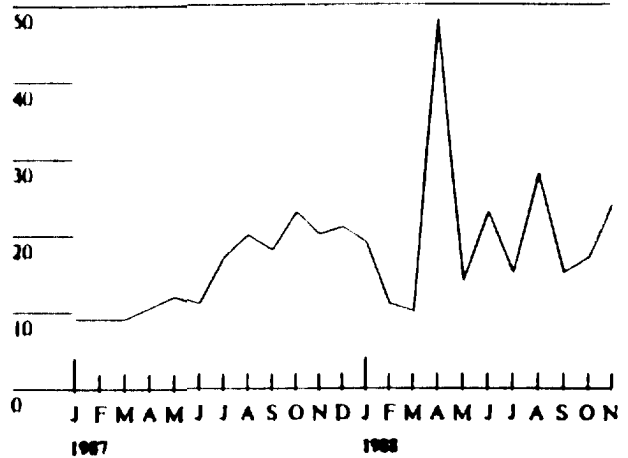
Note scale change

Confirmed Political Killings Outside of Combat



* Through November

Suspicious Killings—No Clearly Established Motive



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Most critical to any projection remains the level of external aid to the government. The military is highly dependent on assistance from the United States, which provides nearly all its arms, munitions, spare parts, maintenance, training, and medical supplies. US military aid has been declining since 1984—in part due to a leveling off in the growth of the armed forces. The military was able to cope with a sizable reduction in FY 1988 by utilizing unspent funds from the previous year. The present level of aid is sufficient to meet day-to-day operational needs, but further reductions would threaten to cut into combat capabilities and to provoke morale problems. Some observers believe that a deep decline in annual assistance would push the military toward a bloody “now or never” offensive against the insurgents and their sympathizers or a highly conservative defensive posture. Either would have clearly negative consequences for human rights and the prospects of democratic government.

Impact of the Election on the War

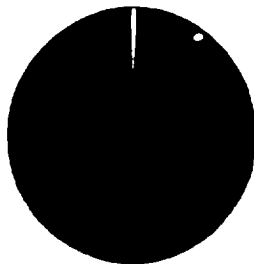
Regardless of which party wins the presidential election, the general prosecution of the war will remain the province of the armed forces, which tolerates little interference from civilians. A new Christian Democrat government would be especially unlikely to deviate from the way the war has been conducted. While many individual—and perhaps even the majority of—officers and soldiers are pro-ARENA, we do not believe the military would surrender very much of its authority or sublimate its institutional interests even to archconservative politicians. The armed forces will also continue to have a de facto veto over concessions the guerrillas may demand in any future negotiations regardless of the government in power. In a more

Figure 14
El Salvador: Confirmed Political Killings
Outside of Combat, 1987-88

By Guerrillas
 By Armed Forces
 By Right
 By Unknown assailants

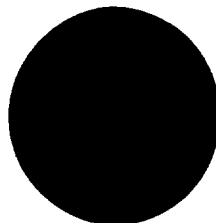
1987
 Total: 226

Does not include
 36 civilian deaths
 from guerrilla landmines
 or 54 civilians killed in
 combat by both sides



1988 (January-November)
 Total: 162

Does not include
 43 civilian deaths
 from guerrilla landmines
 or 42 civilians killed in
 combat by both sides



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general sense, however, the weakening of the political center threatens to interrupt the momentum of social and economic reforms, which could further polarize Salvadoran society, enhance oligarchic interests, and simultaneously encourage increased support for the insurgents.

An ARENA Victory: Two Scenarios

We believe that an ARENA victory could have an indirect—but profound—impact on the course of the war. The prospect of a government firmly in the hands of the right signals a tougher stand, politically and militarily, against the left. An ARENA government would be less inclined than a PDC administration to investigate political crimes by the right and to punish offenders—a process complicated in any event by

El Salvador's corrupt and inefficient judicial system. It is also likely that the ascendancy of ARENA would be perceived by some extremists as giving tacit encouragement to anti-left vigilantism. Failure by the next government to demonstrate a commitment to democratic values and human rights could result in the loss of vital US assistance and undermine the government's popular legitimacy. An ARENA government dominated by extremists like Roberto D'Aubuisson or Sigifredo Ochoa might, in the name of nationalism, move to curtail or minimize US influence. It also could seek quick, dramatic gain against the insurgency by resurrecting death squads, prompting international condemnation of the government, and generating sympathy—possibly even tangible support—for the guerrillas.

Alternatively, an ARENA administration either dominated by moderates, or in which the hardliners curb their behavior, probably would not try to alter the current approach to the war. Such a government, recognizing the importance of continued US assistance, would attempt to maintain reasonably good relations with Washington. Should US economic and military aid levels remain relatively constant and the new government do nothing to jeopardize its own political standing, we would expect a further weakening of the insurgency, albeit at the current measured pace. ARENA, which already has contacts with rebel leaders, may continue talks in the hope of building domestic support, improving its own international image, and maintaining US funding levels.

At a minimum, however, we would expect an ARENA administration, whether moderate or extremist, to reestablish legislation—which lapsed in early 1987—limiting civil liberties for suspected guerrillas. Such a move would facilitate operations by the military and police but also would provide ammunition for human rights critics. Any ARENA government is also likely to crack down on guerrilla front groups and pursue an aggressive legislative agenda. It probably would not move wholesale to undo all of Duárte's social and economic reforms, but the party's

Figure 15
El Salvador: Key Indicators

			○ Low ● Moderate ● High ▲ Increasing ▼ Decreasing		
Strength of the Government			1984	1988	
Political					
	Foreign assistance		●	●	
	Foreign recognition/state of relations		●	●▲	
	Government internal unity		●	●	
	Legal/illegal immigration		●	●	
	Local government control/presence		●	●▼	
	Civic action/psychological operations		○	●	
	Popular support/legitimacy		●	●	
	Economic performance		○	○	
Military					
	Strategy and tactics		○	●	
	Military aggressiveness		○	●	
	Civil-military relations		○	●	
	Military presence in rural areas		○	●▲	
	Urban control		●	●	
	Availability of weapons/logistics		●	●	
	Troop morale		●	●	
	Use of intelligence		○	●	
	Respect for human rights		○	●▲	
Strength of the Salvadoran Insurgency			1984	1988	
Political					
	Foreign assistance		●	○	
	Popular support/cooperation		●	○	
	Insurgent cohesion and unity		●	●	
	Political strategy		●	●▲	
	Psychological operations		●	●▲	
	International image		●	○	
Military					
	Military initiative		●	●▼	
	Combat proficiency		●	●	
	Weapons/logistics		●	●	
	Troop discipline/morale		●	●	
	Recruitment/numbers		●	●	
	Geographic scope of operations		●	●▲	
	Secure areas		●	●▼	
	Urban effectiveness		○	●	

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strong ties to conservative businessmen and landowners will incline it to shift the country's economic program to loosen state control of marketing and probably to roll back at least some of the agrarian reform.

The future role and agenda of ARENA hardliners, most notably D'Aubuisson, remain the critical variables in how far and fast ARENA would try to move. D'Aubuisson is politically savvy, and the moderate tone of the ARENA campaign reflects his appreciation for the practical need to distance the party from its extremist reputation. He probably understands the value of continued US assistance but is rash, and harbors deep resentment against the United States that could overwhelm other interests.

The Left's Postelection Strategy

We believe the insurgents and their allies will persist in their efforts to delink the United States from the Salvadoran Government, regardless of which party wins the presidency. An ARENA administration would sharpen the existing polarization in Salvadoran politics and enhance the effectiveness of insurgent propaganda. Nonetheless, we believe the insurgents will pursue essentially the same postelection guidelines against an ARENA or a PDC government, albeit with some differences in degree and emphasis.

Resources have been a primary determinant of leftists' tactics and so limit their options. We expect they will attempt to intensify their urban campaign of sabotage, terrorism, strikes, and demonstrations in the capital and other cities. Militarily, the guerrillas will opt for additional high-visibility, low-risk attacks on military targets, similar to those carried out in the capital in late 1988 and early 1989.

An ARENA administration, however, might also prompt the guerrillas to heighten a dirty war with efforts to assassinate high-level targets. The guerrillas would reason that the real and imagined reputations of ARENA party chiefs provide both better justification and offer greater likelihood of sparking the hardline response they have unsuccessfully sought during the Christian Democrats' tenure. In addition, the guerrillas and their Cuban and Nicaraguan benefactors might come to believe that increased or more sophisticated arms were a more justified gamble in such an environment where international scrutiny would be directed more toward the government than the guerrillas.

External Factors

Nicaragua. Under most likely scenarios for Central America, the Sandinistas will be able to devote increased attention to their goal of promoting revolution in the region:

- In the event of a regional political settlement, the Sandinistas would continue to support the FMLN with logistics and materiel, even if they were bound by the settlement to cease such support.
- Absent a settlement, a winding down of the Nicaraguan Resistance effort would have limited, but positive, effect for El Salvador's insurgents, principally through freeing up some Nicaraguan military supplies for ultimate provision to the FMLN. Some Resistance weapons might also find their way to the FMLN.

Managua—in conjunction with Havana—would, however, carefully assess increased support of the FMLN, balancing its impact in El Salvador with likely US and other international reaction. (See inset.) Managua would probably regard moderate increases

in the supply of equipment currently in the FMLN inventory as a relatively safe risk, although this would probably not have a decisive impact on the fighting. The Sandinistas probably would avoid dramatic measures—such as the introduction of new and more sophisticated weapons—that it believed could trigger a reestablishment of US lethal aid to the Resistance. But if the Resistance were completely neutralized—or if the Sandinistas did not regard US military action as a credible possibility—Nicaragua would be positioned to expand the scope of its assistance. The FMLN would become a substantially more dangerous adversary were this assistance to include SA-7 surface-to-air missiles and crew-served weapons such as heavy mortars. The effect would not simply be the military impact but the psychological one. The Salvadoran military, like their counterparts in Nicaragua, would, after initial losses, adjust to the provision of SA-7s to guerrilla forces. The momentum, confidence, and morale of government forces could be substantially eroded, however, especially if such escalation went unanswered by Washington.

The Peace Process. Prospective regional peace agreements are a double-edged sword for the Salvadoran Government that on balance are likely to present growing political and public relations problems rather than practical solutions. This is likely to be especially true if an ARENA government is in power. In almost all cases, the guerrilla left is the most obvious beneficiary.

The only regional peace initiative the government would welcome is a border verification mechanism capable of interfering with Sandinista logistic assistance to the FMLN—a highly unlikely outcome given demonstrated problems in terms of practical implementation and lack of political will. Otherwise, the Esquipulas II peace process and related regional initiatives threaten to force the government into negotiations with the FMLN, which the armed forces are likely to resist strongly, adding to civil-military problems. Indeed, if the Sandinistas and the Resistance refuse talks under the Sapoa Agreement or a new

*Cuban, Soviet, and Sandinista Perspectives
on the Insurgency*

Cuba and Nicaragua have long been the principal supporters of the Salvadoran insurgency. Managua, probably reflecting Havana's guidance, openly promotes a political settlement in El Salvador while continuing to surreptitiously provide the guerrillas with military aid. Nicaragua's role consists primarily of providing transportation, warehousing, and coordination for deliveries of supplies from Cuba, including arms and ammunition support. It also encompasses training, safehaven, safe transit, and secure communications facilities to support the insurgent military network. We have no convincing evidence that the Soviets are providing direct military assistance to the Salvadoran guerrillas. However, Moscow does give financial assistance and military training to the Communist Party of El Salvador, which is included in the FMLN.

We believe Cuba and Nicaragua over the short term will try to keep both the political and military options open. Havana's interest in the political track could begin to wane in the months ahead, however, and military pressure could be stepped up if the political environment changes—for example, if the Central American Peace Plan disintegrates or if a radical rightist government is elected. Similarly, if the insurgency began to pose a

credible threat of a military overthrow, we believe Havana and Managua would throw their weight behind the attempt.

Havana also provides military training, arms, and logistic support to the FMLN, in addition to more visible medical and propaganda aid. Fidel Castro, who helped the disparate factions that comprise the FMLN to unite in 1980, also continues to mediate disputes within the group and to offer tactical advice.

For their part, the Soviets see political action as the most promising means for the left to increase influence and to avoid being held responsible for any escalation in the fighting. While TASS coverage of insurgent activity is favorable, Moscow is critical of the guerrillas for being inflexible and thinks them naive for believing they can defeat the government militarily. The Soviets turned down an FMLN request for

that the Soviets have expressed interest in the prospects of the Democratic Convergence and have invited to Moscow. By trying to build relationships with such leaders, the Soviets hope over the longer term to broaden their influence in San Salvador.

framework, international pressure for El Salvador to pursue a parallel process could enhance the FMLN's bargaining position.

The recent FMLN negotiating proposal suggests the possibility that the guerrillas are under pressure to consider more seriously a political settlement. The proposal—presented to the government by the church—involves postponement of the election, respect for its outcome and elected officials, and drops longstanding demands for power sharing and restructuring of the armed forces. (See inset, page 26.) It is

intended at least as much for international as for domestic impact. Although there are probably some linked to the guerrilla left who wish seriously to pursue these negotiations, indicates the insurgent leadership views the peace proposal principally as designed to stave off military pressure, and it expects rejection of the proposal to legitimate intensification of the war.

particular, the armed forces' commitment to democracy and acceptable practices in the field continues to hinge on their dependence on US support. [REDACTED]

Given the strong antigringo streak in D'Aubuisson and his cohorts, if ARENA were in control of the government, a substantial reduction of US aid could spark a brutal military effort to wipe out the guerrillas and their supporters, along with reciprocal FMLN atrocities. The quick result might be a temporary but pyrrhic gain, which would be eliminated as new insurgent recruits and higher levels of external aid would gradually turn the war back to 1983-84 levels. [REDACTED]

Should the FMLN offer a proposal that has genuine promise for a political settlement, US involvement and pressures will almost certainly be crucial in overcoming institutional resistance to compromise and keeping the renegade right wing from destroying the political environment. For such involvement to be effective, however, Salvadoran civil and military authorities will have to remain convinced that US commitment to preventing a guerrilla takeover remains firm. [REDACTED]

Other scenarios could include:

- A negotiated agreement to postpone the election in response to recent guerrilla proposals. This would not affect our judgment of the likely election outcome. In addition, we doubt that it would lead to a

lasting settlement because, at a minimum, hardline elements in the FMLN would renew the guerrilla struggle.

- The splintering of the FMLN, with some factions pursuing interests through the system and others fighting on.
- A degenerative weakening of the system caused by increased political polarization and intraparty factionalism combined with more rapid economic decline, enabling the FMLN to exploit the ensuing political chaos.

In the last case, uncertainty about the reliability of US economic and military support would be a key factor contributing to government paralysis and a deteriorating military situation, possibly facilitating a Sandinista-style revolution led by the FMLN. [REDACTED]